GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5314
ANSWERED ON:28.04.2000
LIBERALISATION OF INDUSTRY
SHIVAJI VITHALRAO KAMBLE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the present status of the action taken in the context of liberalisation of industry and globalisation of trade; and

(b) the details of amendments in articles under consideration?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(DR. RAMAN SINGH)

(a) and (b) : A Statement is enclosed.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) AND (B) OF THE LOK SABHA UNSTARRED QUESTION NO. 531 ANSWER ON 28.4.2000.

(a) & (b): During recent years the economic reforms being pursued in India lay more emphasis on liberalisation and operation of market forces, as compared to the policies being followed earlier. This process of reforms is a continuous and ongoing process and specific steps are taken in consultation with industry and trade as and when required. The Government has taken a number of initiatives to promote industry and trade which, interalia, include the following:-

(i) The scope of delicensing has been widened. Barring six industries, the rest are exempt from industrial licensing.

(ii) Industries that do not require an industrial licence only have to submit an Industrial Entrepreneur Memorandum(IEM) to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy and PromotionAmendments to IEM proposals have also been allowed with effect from 1.7.1998.

(iii) In the process of review of laws, regulations and simplifications of procedures, a draft Industries Act, 2000 has been formulated.

(iv) More thrust has been given to attract Foreign Direct Investment (FDI) to supplement domestic investment by expanding the list of priority industries eligible for automatic approval.

(v) Procedures have been simplified and the time limit for consideration of FDI proposals has been reduced from six weeks to thirty days.

(vi) India has signed the Marrakesh Agreement establishing the World Trade Organisation (WTO) on 15th April, 1994 and WTO was formally established on 1st January, 1995. India as a member of the WTO seeks to achieve better market access with greater certainty and transparency of the multilateral trading system.

(vii) Quantitative Restrictions (QRs) for balance of payment reasons have been removed on 714 tariff lines during this year.QRs on the remaining items will be removed next year. Existing export promotion schemes have been rationalised and procedural simplifications have been made.

(viii) The Government has established the Directorate of Anti-Dumping and Allied Duties and the Directorate of Safeguards.While the former militates against attempts by foreign suppliers to undercut the indigenous industry by recourse to unfair trade practices, the latter protects the domestic industries from a sudden surge in imports.